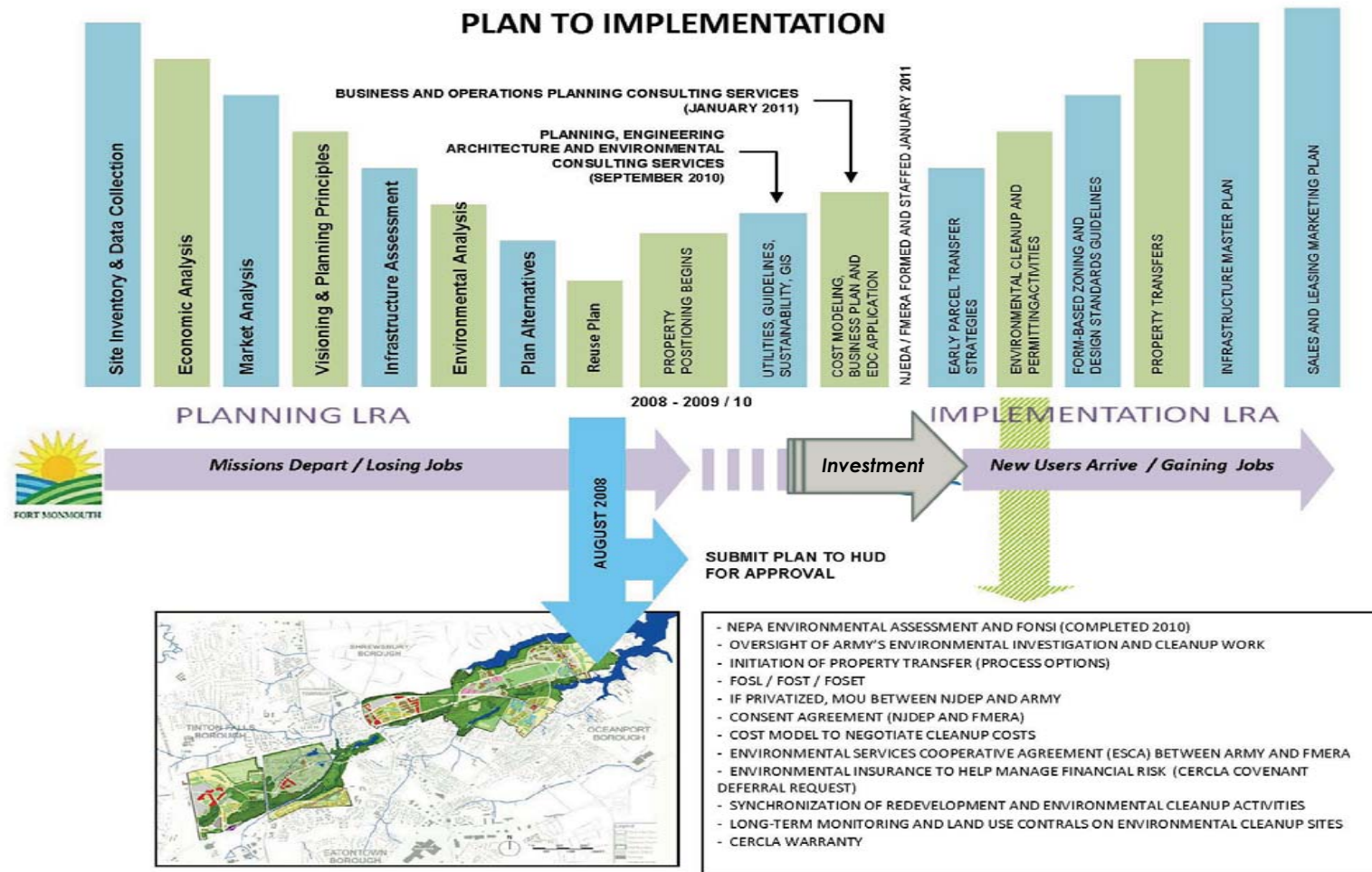


# FORT MONMOUTH BUSINESS PLAN OVERVIEW

DAN SCHNEPF, PRINCIPAL  
JOHN BLANCHARD, PRINCIPAL  
MATRIX DESIGN GROUP, INC.

# NAVIGATING THE BRAC REDEVELOPMENT PROCESS

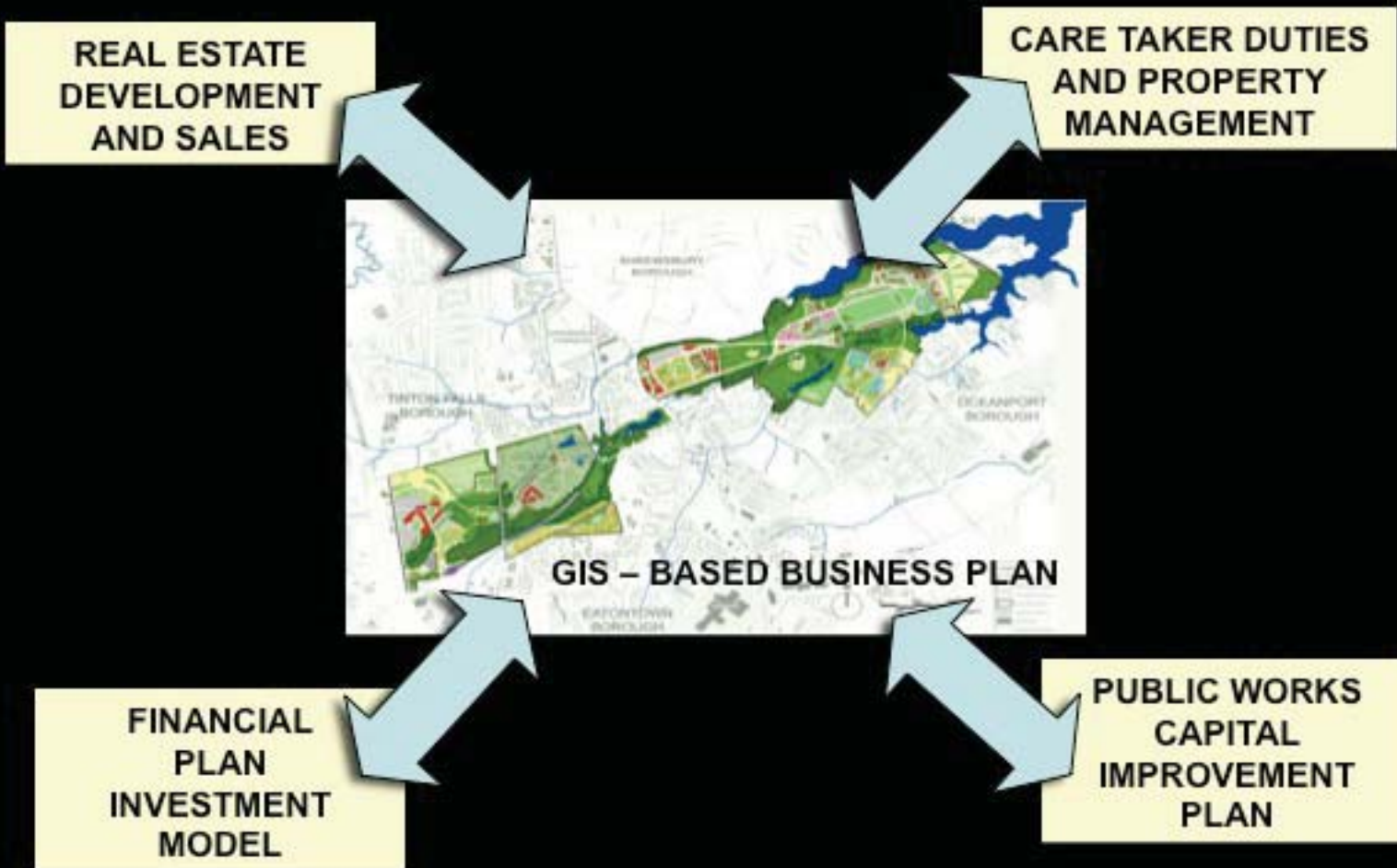


# OBJECTIVES OF THE BUSINESS PLAN

- Used as tool to negotiate with the Department of Defense (DOD) for the transfer of the former Fort Monmouth property
- Used as a tool for the long-term financial stewardship and build-out of the Re-use plan as Master Developer
- Is required to submit and Economic Development Conveyance (EDC) application under Federal Regulations

# Development of GIS Based Business Plan . . .

## *Role of an Electronic Master Plan for Successful Development*



Matrix Design Group, Inc.  
Integrated Design Solutions

# REGULATORY REQUIREMENTS FOR ECONOMIC DEVELOPMENT CONVEYANCE APPROVAL

- In order for an EDC to be approved, FMERA must:
  - Demonstrate they are legally recognized as the receiving entity of the property, with successors and assigns for the life span of the development
  - Provide a financial pro-forma that shows financial solvency for the full duration of the redevelopment
    - Needs to Include appropriate bonding capacity, line of credit, and initial working capital
    - Must have available all of the finance tools available in the State
  - Provide an Operations Plan that proves that they are technically capable to self perform or contract the land development effort
  - Must meet all requirement of Federal Regulations regarding Economic Development Conveyances



# REGULATORY REQUIREMENTS FOR ECONOMIC DEVELOPMENT CONVEYANCE APPROVAL

- New Guidelines for the EDC under the October 2009 Defense Authorization Act favor the transfer of Fort Monmouth in 2011
  - DOD **not required** to receive Fair Market Value for BRAC properties
  - DOD **is required** to a “Fair Value” as it relates to economic development and job creation

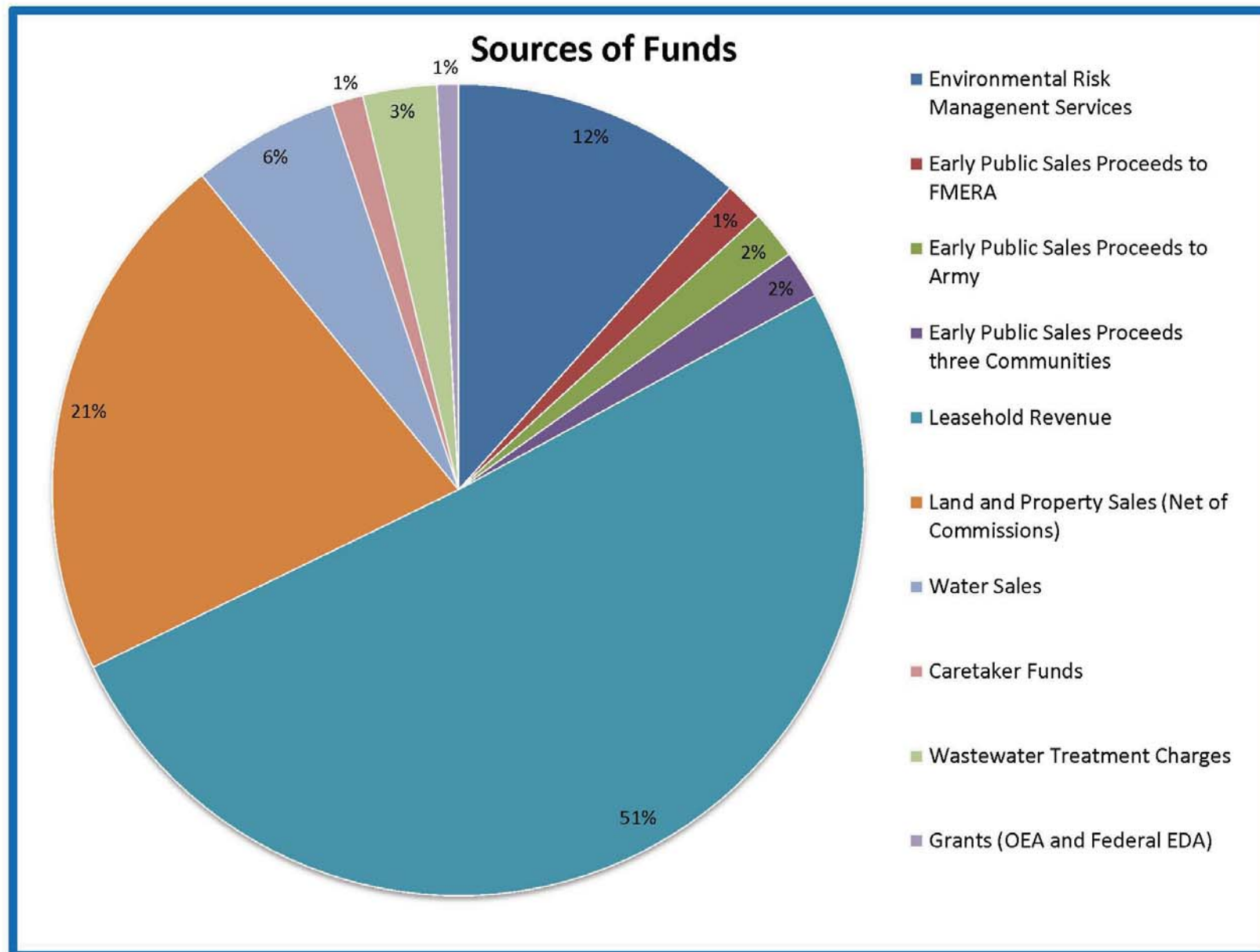
# REGULATORY REQUIREMENTS FOR ECONOMIC DEVELOPMENT CONVEYANCE APPROVAL

- Business plan concept is based on the sharing of revenue from land sales and real estate leases with the Army
  - *Creates a framework for negotiating the land transfer using a “puts and takes” financial model*
  - *Anticipates a partnering relationship with DOD to bridge the gap across all of the redevelopment issues (e.g., environmental, market-based redevelopment of the property, and permitting)*
  - *Minimizes carrying costs of real estate*
  - *Proceeds from Early Sales Parcels provides initial working capital and Army financial return*
  - *Provides an dynamic tool for marketing and developing the development over the life span of the program*

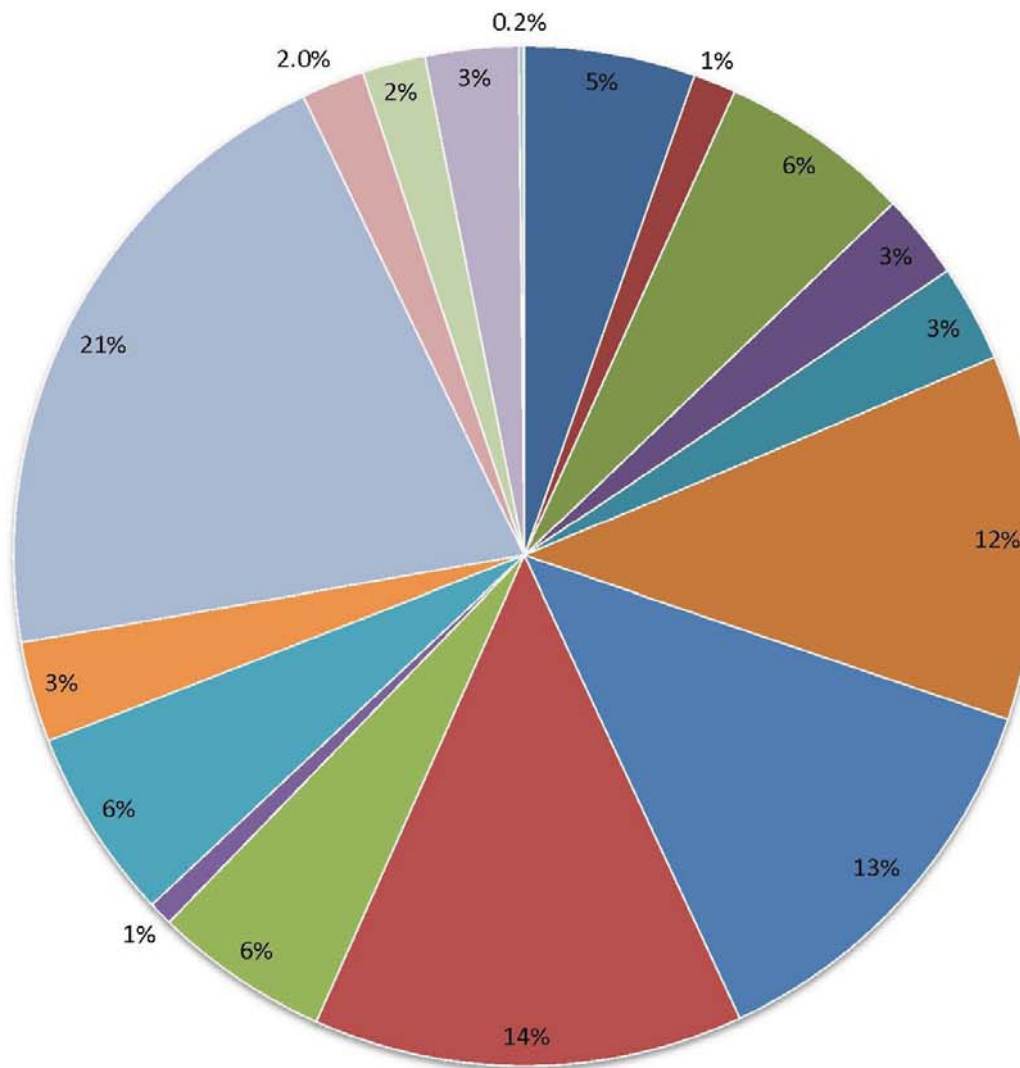
# SUCCESSFUL CONVERSION OF THE FORMER POST REQUIRES REINVESTMENT

- Business Plan provides revenue to make Capital Investments, including:
  - Demolition of Obsolete Buildings and Pavement
  - Renovation of Nearly 900,000 sf of Commercial Floor Space and 112 For Rent Residential Units
  - Trunk Infrastructure Construction for Replacement and Enlargement of Major Transportation and Utility Systems
- In addition the Redevelopment provides for Management and Maintenance of the the Property and Funds for the increase in cost of Municipal Services
  - Fire and Police
  - Parks and Recreation
  - Water and Sewer



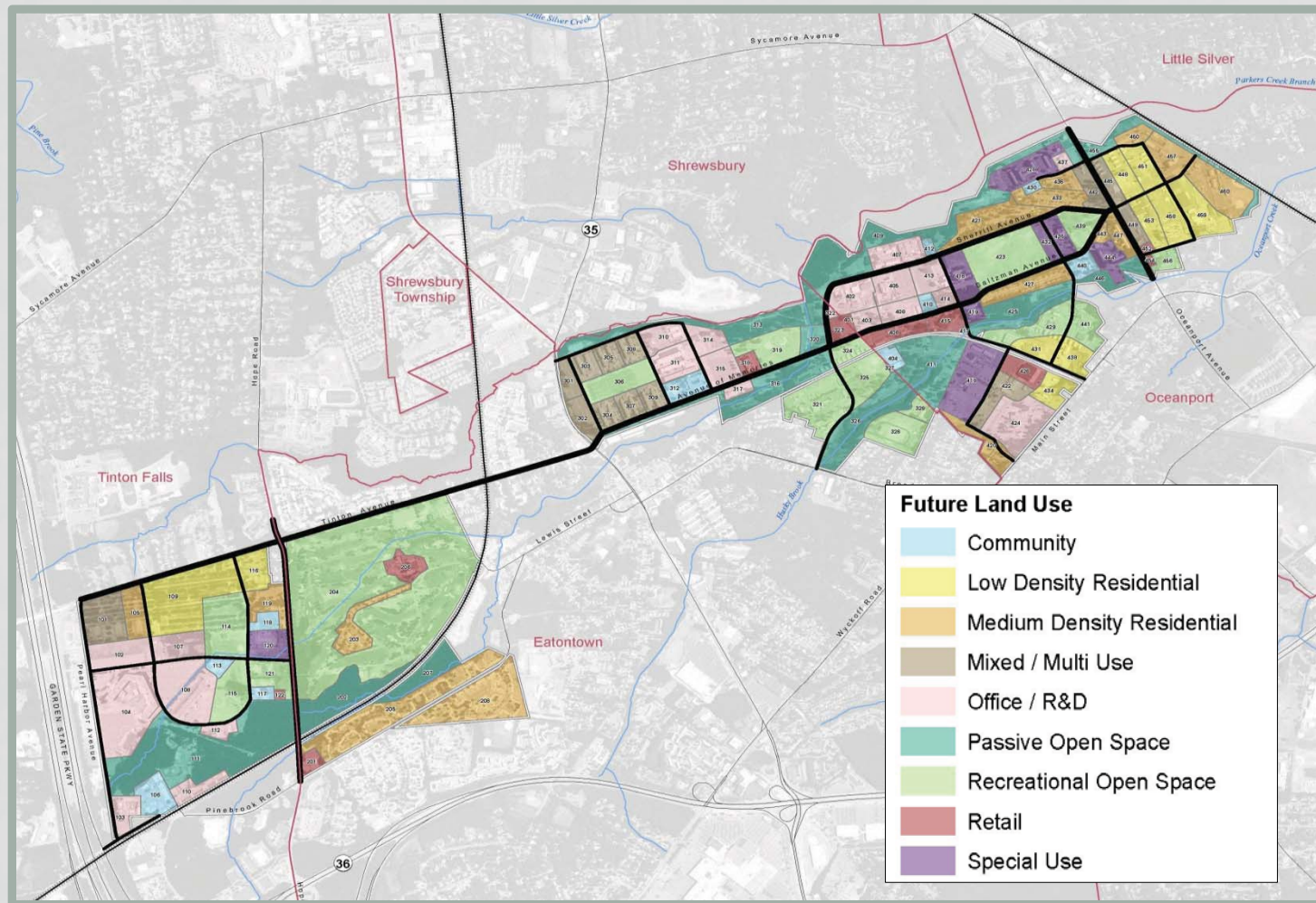


## Uses of Funds



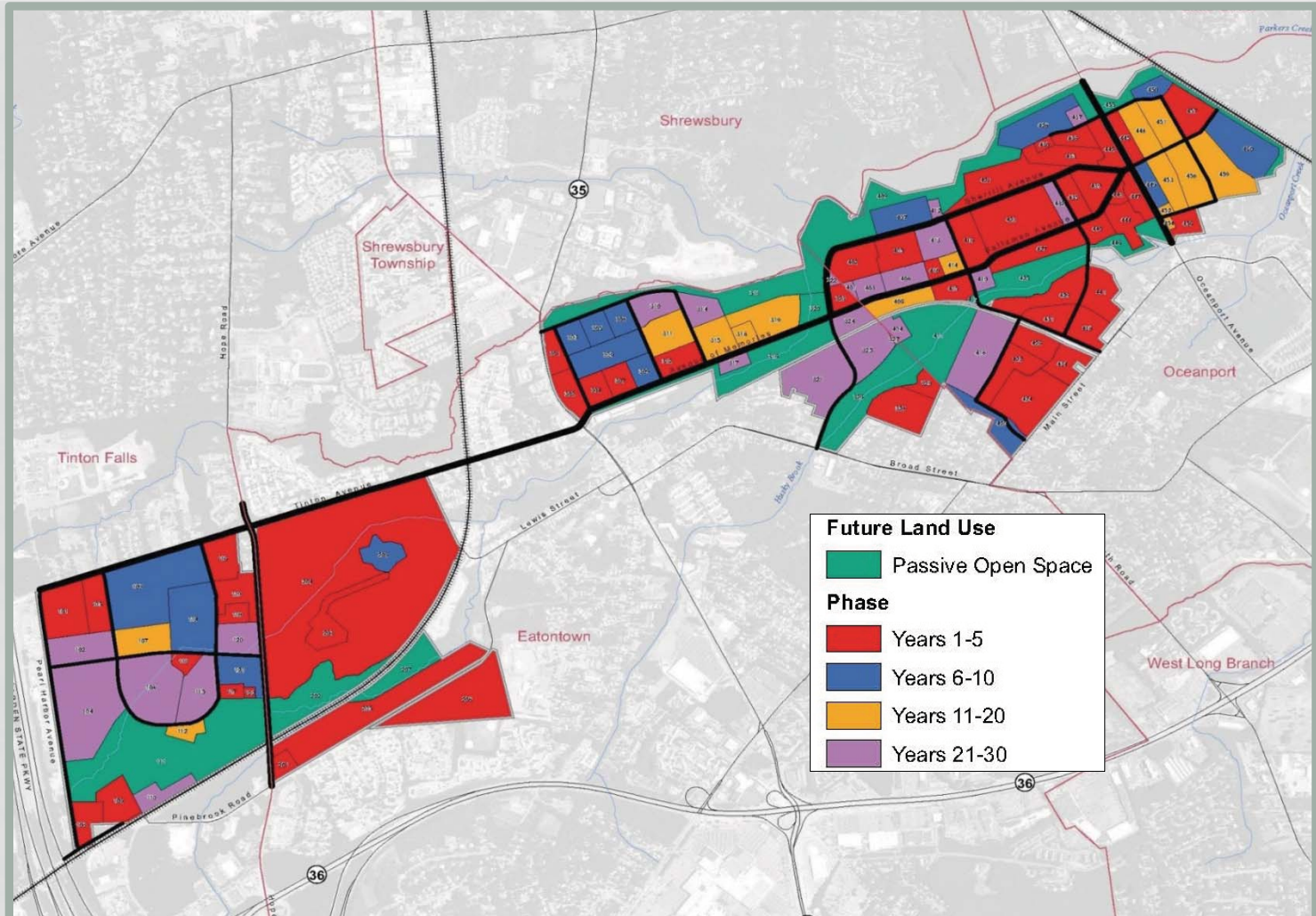
- LRA Administration and Operations
- Professional Services (Legal, Accounting, Marketing)
- Water Treatment Plant Operations and Maintenance
- Roadway and Drainage Maintenance
- Wastewater Treatment Plant Operations and Maintenance
- Environmental Risk Management Services
- Trunk and Sub-trunk Infrastructure
- Master Developer In-tract Costs
- Regional Infrastructure Projects
- Maintenance of Existing Unoccupied Buildings
- Building Demolition
- Property Management (6%) (Utilities for Exist Bldgs Paid by CAM)
- Tenant Improvement to Existing Buildings
- Payment of Proceed from Early Sale Parcels to Army
- Accrual of Early Sale Parcels to local communities
- Army Revenue Sharing (Excluding Early Sale Proceeds)
- Grant Matching Funds

# PARCELING THE PROPERTY TO OPTIMIZE DEVELOPMENT POTENTIAL





# DEVELOPMENT PHASING



# QUESTIONS AND DISCUSSION

- Dan Schnepf
- John Blanchard